IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1954

No. 138

EXCEL AUTO RADIATOR COMPANY,
Petitioner,

vs.

THE BISHOP AND BABCOCK MANUFACTURING COMPANY,
Respondent.

BRIEF FOR PETITIONER IN REPLY TO BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

OPINIONS OF THE COURTS BELOW

Since petitioner's brief in support of petition for writ of certiorari was filed the judgment of the Court of Appeals of April 21, 1954, of which review is sought (R. II-1), though not designated as an opinion, has been reported in *Excel Auto Radiator Co.* v. *The Bishop and Babcock Mfg. Co.*, 212 F(2) 586.

ARGUMENT

Respondent, in its brief in opposition to petition for writ of certiorari, directs its argument to only topics I and III of petitioner's Argument in support of the petition.

As to the first of these respondent quickly agrees that the courts have held generally that under 35 U.S.C. 70 "attorneys' fees should not be awarded in the ordinary patent case and should be awarded only in exceptional cases." Respondent then asserts that "this was an exceptional case" and points to certain so-called findings and statements in the opinion of the Court of Appeals on the first appeal (167 F(2) 962, 964 *et seq.*) to support that assertion, going so far, indeed, as to say that petitioner relied upon "untrue testimony." See Respondent's Brief, pp. 6, 7. None of these matters is mentioned by either court below on the subject of attorneys' fees and they do not constitute "exceptional" or "extraordinary circumstances" within the decisions cited in petitioner's brief. Moreover, it ought not to be presumed in such a case that the court held within its breast some notion of the existence of such circumstances. Proper administration of justice calls for articulate statement upon the record. To the extent that the cases cited by respondent support its position they are out of line. See Petitioner's Brief p. 17

Neither strenuous contest, reliance upon discussion of prior art patents in the brief instead of calling an expert witness, nor even an evasive witness or untrue testimony constitute "extraordinary circumstances" under the decisions cited in the absence of "a finding of unfairness or bad faith in the conduct of the losing party, or some other equitable consideration of similar force," making it grossly unjust that the successful party bear the usual burden

paying his own attorneys' fees. See particularly *Park-In Theatres* v. *Perkins* (CCA 9), 190 F(2) 137, 143; *Merrill* v. *Builders Ornamental Iron Co.* (CAA 10), 197 F(2) 16, 25. Petitioner's good faith in contesting the Mayo patent is attested by its success in obtaining an adjudication invalidating one of the claims asserted by respondent.

The witness Sperry, whose testimony presumably is that characterized by respondent as untrue, was dead, as the Court of Appeals noted (167 F(2) 965), when this action was tried. It was in this circumstance that the Court of Appeals termed the testimony which he had given in the preceding interference proceeding "a mistake" (167 F(2) 965) in view of the testimony of three new witnesses who had not testified in that proceeding. Surely a litigant is not chargeable with bad faith nor does an exceptional circumstance arise because a witness since deceased was mistaken.

Respondent's comment (Resp. Br. p. 7) predicated on the District Court's Finding of Fact 9 (R. 1-32a) is susceptible of misinterpretation. As stated in the opinion of the Court of Appeals (167 F(2) 964) petitioner did offer in evidence the records of prior interferences including that of *Sperry* v. *Payne*, 141 F(2) 816, but the District Court rejected them. Obviously, deprived by death of the testimony of its principal witness in that interference, it became a matter of judgment of counsel as to what evidence should be adduced on the point in behalf of petitioner. Mere failure to conform to the court's idea of how petitioner's case should have been presented affords no basis for the imposition of a penalty in the form of an award of attorney fees.

Respondent attempts to minimize the District Court's finding of no bad faith on the part of petitioner as having been made in relation to increase of damages. If there was

COPY

no bad faith to be considered as to increase of damages, there was none as to attorney fees. And under the decisions cited in the petitioner's brief bad faith or its equivalent is not only an essential of exceptional circumstances justifying an award of attorney fees but there must have been an express finding by the District Court on the subject. There was none. Without such a finding it was an abuse of discretion on the part of the District Court to award attorneys' fees to respondent.

Respondent begs the question in concluding (Resp. Br. p. 8) that there is "no law question for this Court to review" in view of the judgment of the Court of Appeals "that there was no abuse of discretion by the trial court, and that its award of attorneys' fees to respondent was supported by substantial evidence." There being no finding by the District Court of concrete facts constituting the exceptional circumstances requisite for an award of attorney fees, respondent's conclusion merely points up the divergence of the Court of Appeals in this case from the decisions of other courts considered under topic I of petitioner's Argument and the need for the exercise of jurisdiction by this Court to clarify the law.

As to topic III of petitioner's Argument, respondent agrees (Resp. Br. p. 10) that the new Act did not change the law as respects an award of attorney fees but argues in support of the decision of the Court of Appeals that the old law, and not the new, applies in this case. If there was no change, the result should be the same under either law. But the question of which law governs nevertheless remains.

The authorities upon which respondent relies in contending that the old law governs do not appear to be in point, in view of the matters stated under topic III of peti-

tioner's Argument. The question of which law governs remains to be determined by this Court.

Petitioner renews its request that the writ issue.

Respectfully submitted,

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